

Decision No. 83553

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

CATALINA FREIGHT LINE, a corporation,
to increase rates for the transportation of freight between LOS ANGELES HARBOR and CATALINA ISLAND, CALIFORNIA, pursuant to Section 454 of the Public Utilities Code.

Application No. 55068

(Filed July 26, 1974;
amended August 9, 1974)

OPINION AND ORDER

Catalina Freight Line (CFL) is a common carrier of freight by barge between the Port of Los Angeles and Santa Catalina Island. The current tariff of CFL is Local Freight Tariff No. 4, Cal. PUC No. 2. CFL maintains a simplified "all freight" rate structure (rates on freight regardless of classification).

By this application CFL seeks authority to increase the minimum charge in Item 8 of its tariff by providing an exception for uncrated bicycles. The increased minimum charge proposed for uncrated bicycles would be from \$3 per shipment to \$3 for each uncrated bicycle in a shipment. Applicant estimates that this change in the minimum charge rule will result in an increase of less than \$1,000 per year, which is less than 1 percent of total revenue.

Attached to the application are the following exhibits:

Exhibit A - Proposed tariff changes.

Exhibit B - Balance sheet for year 1973, profit and loss statement for year 1973, and profit and loss statement for a year projected.

Exhibit C - Estimated revenue for year ended May 10, 1974, compared to revenue originally projected in Application No. 53856.

Exhibit D - Statement of employees (hours).

By Decision No. 81309 (1973) applicant was authorized increases in rates on an interim basis, including increases in various minimum charges to a single minimum charge of \$3 per shipment. The increases were made permanent by Decision No. 82995 (1974). In Finding 17, page 24, of Decision No. 82995, we found that "The cost to CFL of transporting an unpackaged bicycle is approximately \$5, whereas the minimum charge in the CFL tariff is \$3." In Decision No. 57163 (1958), which first authorized the all freight rates of CFL,^{1/} we noted that the rates then proposed for certain commodities would be somewhat lower than those which would apply were they based on normal classification ratings. We stated that applicant, in seeking increases, should give primary consideration to applying increases on those commodities which, under normal classification practices, would bear higher rates than those resulting under a single scale of rates. Applicant believes the proposed increase in the minimum charge to \$3 per uncrated bicycle is the best way of offsetting the cost of transporting this commodity.

^{1/} Formerly Catalina Island Sightseeing Lines.

In Exhibit B to the application CFL shows a profit of \$13,643 for 1973 (following increased rates) but shows a net operating loss of \$12,815 for a projected year due to increased operating expenses.

A copy of the application and the amendment were served upon the city of Avalon on or about July 26 and August 9, 1974, respectively. They were listed on the Commission's Daily Calendars of July 31 and August 13, 1974, respectively. No objection to the granting of the application has been received.

Findings

1. In Decision No. 82995 we found that the cost to CFL of transporting an unpackaged bicycle is approximately \$5.
2. CFL publishes a minimum charge of \$3 which applies to a shipment regardless of whether it contains one article or more than one article.
3. By this application CFL proposes to establish a minimum charge of \$3 for each uncrated bicycle in a shipment.
4. The proposed minimum charge for uncrated bicycles would produce only a small additional amount of revenue for CFL.
5. Projected financial results show that CFL is operating at a loss.
6. The increased minimum charge sought in Application No. 55068 is justified.

The Commission concludes that the sought increase in freight rates should be authorized.

IT IS ORDERED that:

1. Catalina Freight Line is authorized to establish the increased minimum charge for uncrated bicycles proposed in Application No. 55068.

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public.

3. The authority herein granted shall expire unless exercised within one hundred twenty days after the effective date of this order.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 7th
day of OCTOBER, 1974.

Vernon L. Sturgeon
President
William J. ...
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Commissioners